

**SUMMARY OF MATERIAL MODIFICATION TO  
THE NEW YORK HOTEL TRADES COUNCIL AND  
HOTEL ASSOCIATION OF NEW YORK CITY, INC.  
HEALTH BENEFITS FUND**

*This document is a Summary of Material Modification ("SMM") intended to notify you of an important change to the plan of benefits provided by the New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund (the "Fund" or the "Plan"). This summary is intended to satisfy the requirements for issuance of a SMM under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). You should take the time to read this letter carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously given to you. If you need another copy of the SPD or if you have any questions regarding these changes to the Plan, please contact the Fund Office during normal business hours at: 304 West 44<sup>th</sup> Street, New York, New York 10036, telephone number (212) 586-6400.*

The Fund's Board of Trustees understands how important it is for you and your family to maintain health coverage during the COVID-19 or Coronavirus pandemic. The Board is pleased to inform you that the Plan has been amended to provide for an extension of health benefits coverage using your personal time off (PTO).

The section of the Fund's plan of benefits in the SPD captioned "When Coverage Begins" is amended by adding the following new subsection to the end thereof:

## **When Coverage Begins**

...

### **Health Benefits Extension using PTO**

***The following rules apply only during the COVID-19 National Emergency as declared by President Trump on March 13, 2020 and will cease to apply at such time as the Trustees so determine.***

During this time, you may elect to use your Personal Time Off (PTO) for health benefits coverage as follows:

If you elect to use thirty-five (35) hours of PTO for health benefits coverage, the Employer contributions on such PTO will grant you one (1) week (*i.e.*, seven (7) days) of Tier I\* health benefits coverage, as described below. For these purposes, the "Tier I" option means you will have full health plan coverage same as that which has been provided through the Industry-wide extension.

If you are a regularly scheduled part-time employee who works at least fourteen (14) hours per week, and you elect to use the number of vacation, sick, or personal hours equal to the number of hours you are normally (*i.e.*, regularly) scheduled to work in a week, the Employer contributions

on such PTO will grant you one (1) week (*i.e.*, seven (7) days) of health benefits coverage under Tier I.

If you to use fifty-six (56) hours of PTO for health benefits coverage, the Employer contributions on such PTO will grant you one (1) month (*i.e.*, thirty (30) days) of Tier II\*\* health benefits coverage, as described below. For these purposes, the “Tier II” option means you will have access to services at your applicable Health Center, the Members’ Health Assistance Program (MHAP) and prescription drug coverage. Note, coverage for hospital, outside physician referrals, out-of-area medical (EPO) and dental benefits are NOT covered under Tier II.

**Tier I Option\*:**

You may use thirty-five (35) hours of PTO for one (1) full week of existing Health Benefits Fund coverage. Note, PTO hours may be combined to increase the benefit based ONLY upon weekly allotments. For example, seventy (70) hours of PTO may be used for two (2) full weeks of Tier I coverage.

Health Benefit(s)	Immediately
Health Center medical	✓
Out of area medical	✓
Hospital	✓
Prescription drugs	✓
Vision	✓
Dental	✓
Members’ Health Assistance Program	✓

**Tier II Option\*\*:**

You may use fifty-six (56) hours of PTO for one (1) full month of Health Center, MHAP and pharmacy benefits coverage. Note, PTO hours may be combined to increase the benefit based ONLY upon monthly allotments. For example, one hundred and twelve (112) hours of PTO may be used for two (2) full months of Tier II coverage.



Health Benefit(s)	Immediately
Health Center medical	✓
Prescription drugs	✓
Members' Health Assistance Program	✓

**Please note, once you select either the Tier I or Tier II option, you will not be able to select a different option.**

Please contact the Fund Office with any questions you may have regarding using PTO for health benefits coverage.

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This SMM is intended to provide you with an easy-to-understand description of certain changes to the Fund. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Fund. If any conflict should arise between this SMM and the Fund, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Fund will govern in all cases.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Fund, or any benefits provided under the Fund, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Fund and its related Trust Agreement. The Trust Agreement is available upon request at the above address and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Fund, or to change any provision of the Fund. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Fund and decide all matters arising under the Fund.

## **IMPORTANT NOTICE REGARDING THE PLAN'S GRANDFATHERED PLAN STATUS**

Trustees believe that the Plan is a "grandfathered plan" as such term is defined under PPACA (more commonly known as Health Care Reform). As permitted by Health Care Reform, a

grandfathered health plan can preserve certain basic health coverage that was already in effect when Health Care Reform was enacted. Being a grandfathered health plan means that the medical coverage that you have elected under the plan may not include certain consumer protections of Health Care Reform that apply to other group health plans, for example, the requirement for the provision of preventive health services without any cost sharing (i.e., copayments, coinsurance, deductibles). However, grandfathered health plans must comply with certain other consumer protections in Health Care Reform, for example, the elimination of lifetime limits on benefits and extension of coverage to dependents until age 26. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator during normal business hours at: 304 West 44th Street, New York, New York 10036, telephone number (212) 586-6400. You may also contact the Department of Labor at (866) 444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered plans.